PHILADELPHIA INQUIRER 15 March 1987

ARTICLE APPEARED ON PAGE 5A

Contra operatives get regular payments from U.S.

By Sam Dillon and Sandra Dibble Inquirer Washington Bureau

WASHINGTON — The payments began as handouts from a CIA agent's cash-stuffed briefcase to help Nicaragua's rebel leaders make ends meet.

In the years since those early days of the U.S.-financed contra movement, the stipends have become almost universal throughout the insurgent leadership — regular cash payments or a monthly deposit by an unseen benefactor into a Miami bank account. The contras call them "family aid." They resemble salaries.

Hundreds of key contra operatives are paid for their participation in the insurgency, from the field commanders and pilots who carry the war to Nicaragua to logistical officers working in Honduras and the lawyers and secretaries who staff rebel offices in Miami, present and former rebel officials said in interviews.

The extent of the payments to contra operatives has not generally been known, with the exception of former contra leader Arturo Cruz's acknowledgment last month that he received \$7,000 a month arranged by Lt. Col. Oliver L. North, who was then a National Security Council aide.

But the money has become so important that recent delays in payments have caused the family of one rebel commander to lose its car through repossession. Several families have been forced in recent weeks to seek help from a Nicaraguan exile charity to keep food on the table. Others have been threatened with eviction, rebel officials said.

Their personal ordeals have forced a painful new awareness within the rebel movement of the dependence and political vulnerability the financial remuneration has brought.

Their plight also has foreshadowed the hardship that could develop in Honduras, Costa Rica — and Miami — for thousands of Nicaraguan exiles if Congress carries out its threat to end aid to the rebels later this year.

The delay in the payments also has aggravated longtime tensions between the men who fight the war in Nicaragua and rebel political officers who are paid more generously for waging a less-hazardous war in exile. An angry confrontation, centering on this inequality, erupted at a Miami rebel office this month, rebel officials said.

Precise calculation of the contra payroll remains impossible, but interviews with more than a dozen present and former rebel officials suggest that it totals several million dollars annually.

Over six years, the funds have come from a variety of sources, including the CIA, donations from Saudi Arabia and wealthy Americans, and even profits made on the currency-exchange market in Central America, rebel officials said.

Without exception, rebel officials indignantly reject the suggestion — thrown at them incessantly by their Sandinista foes — that theirs is a mercenary force.

"All the guerrillas of the left are financed by the communists," said Enrique Bermudez, military commander of the Nicaraguan Democratic Force (FDN), the main rebel army. He said his officers would be unable to fight without pay, "knowing their families are hungry."

Bermudez said the thousands of peasant foot soldiers in the contra army fight without compensation.

Some rebel officers eschew the payments out of principle: Aristides Sanchez, a rebel political officer from a wealthy Nicaraguan family, insists he works without pay.

Other rebels defend the payments, saying financial independence for guerrillas can only come through crime. They say Salvadoran leftists built a \$70 million war chest through kidnappings; their Colombian counterparts peddle cocaine to finance their cause.

"In politics, you need hard currency. And only the capitalist bloc or the socialist bloc can provide it," said Arturo Cruz Jr., son of the former Nicaraguan rebel leader.

In the beginning, the movement operated on a shoestring. Bermudez, who was military attache at Nicaragua's Washington Embassy before the 1979 revolution, donated part of the proceeds from the sale of his Washington home to the cause, he said. No one was paid.

After the CIA began to finance the movement in 1981, increasing numbers of rebel operatives began receiving payments, according to Edgar Chamorro, one of the FDN's seven directors from 1982 through

CIA agents shipped tens of thousands of dollars in cash to Honduras, holding it in tumbler-lock safes in rebel security houses in Tegucigalpa

for door-to-door distribution, Chamorro said.

Chamorro, who had access to contra pay lists, said members of Bermudez's general staff received up to \$2,000 monthly. He said rebel doctors in 1984 were paid \$1,000 per month; dentists and nurses, less. Chamorro said the contras' extensive network of other operatives also received payments: radio broadcasters, translators, messengers, office boys, secretaries, guards, cooks, refugee workers.

A contra pilot, Roberto Amador, said in an interview in Managua after his plane was shot down on an air supply mission in late 1983 that he received \$1,000 monthly. His mechanic, Jaime Lau, said his payments were \$750 a month.

Field officers have received \$1,000 monthly and less. Marlon Blandon Osorio, a former commander of a 300-member task force, said he was paid \$750 monthly until he left the movement in December 1985; his subordinate officers received \$400 monthly, he said.

Two active-duty regional commanders interviewed in Miami last week said their payments were recently raised to \$750 a month.

Salaries for rebel politicians began in January 1983 when Tomas Castillo, then chief CIA liaison officer with the contras, negotiated a pay scale in meetings in Miami, Chamorro said.

Chamorro said one FDN politician suggested that each director be paid a flat rate of \$4,000 monthly. But Castillo instead established the directors' base salaries at \$1,200, plus allowances, that brought Chamorro's salary to \$2,000 monthly, Chamorro said

Chamorro said that in mid-1983 the CIA advised the FDN directors not to declare the CIA payments on their U.S. income-tax filings. Chamorro said he declared his FDN earnings anyway.

FDN director Adolfo Calero brought his business acumen as the former manager of Managua's Coca-Cola plant to bear during the sessions with Castillo, even asking the CIA to provide an insurance plan,

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Chamorro said. Calero said through a spokesman that the insurance plan was only "an idea that was never implemented."

Calero said his CIA-paid salary was \$3,000 monthly until CIA aid was prohibited in mid-1984. Since then, Calero has been supported from the FDN's funds, largely drawn from \$31 million in foreign donations.

Calero declined to quantify FDN payments to himself, but a U.S. official said that after the CIA aid ban. Calero enjoyed great personal discretion with the rebel funds.

"He managed FDN finances out of the checkbook in his back pocket," the official said.

After Congress voted \$27 million in "nonlethal" aid in mid-1985, payments to contra officials came from a variety of sources, including black market currency transactions that rebel officials say earned millions in profits for "family aid," \$1 million

from conservative fund-raisers working with North and CIA payments authorized by Congress for rebel "political' expenditures.

The payments continued without interruption until October of last year, when the downing of a rebel supply plane led to revelations of U.S. involvement in a secret contra-supply network. Also, Congress in October had approved \$100 million in U.S. military aid to the contras — once again putting the CIA in charge of disbursing money to the rebels.

The main victims of the disruption were the Miami-based families of FDN combat commanders, who began noting delays in their payments. At the same time, civilian officers of the rebel umbrella group, the United Nicaragaun Opposition (UNO), most of whom lived in Miami, continued to receive their salaries.

The resultant tensions erupted two weeks ago, when several FDN com-

manders on leave in Miami confronted a UNO official over the delays.

Trying to calm the angry commanders, the official opened a briefcase containing \$40,000 and offered to settle the dispute on the spot.

Instead, the FDN field officers accused UNO leaders of "enjoying comfortable salaries while we who risk our lives go without pay," one of the officers said later.

The officers later charged in interviews that the UNO officials had withheld the payments to coerce their cooperation with a reorganization plan backed by the State Department.

A State Department spokesman, asked about the delays, said Friday, "The State Department is not responsible for the disbursement of family-support payments."

CIA spokeswoman Sharon Foster said: "We don't confirm or deny Agency activities."